

COLE SCHOTZ P.C.

Michael D. Sirota, Esq. (NJ Bar No. 014321986)
Warren A. Usatine, Esq. (NJ Bar No. 025881995)
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
(201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Christine A. Okike, P.C. (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800
jsussberg@kirkland.com
christine.okike@kirkland.com

*Attorneys for Debtors and
Debtors in Possession*

HAYNES AND BOONE, LLP

Richard S. Kanowitz, Esq. (NJ Bar No. 047911992)
Kenric D. Kattner, Esq. (admitted *pro hac vice*)
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
(212) 659-7300
richard.kanowitz@haynesboone.com
kenric.kattner@haynesboone.com

*Attorneys for Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

APPLICATION FOR ORDER SHORTENING TIME

TO: THE HONORABLE CHIEF JUDGE MICHAEL B. KAPLAN UNITED STATES
BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY:

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) by and
through their undersigned counsel request that the time period to notice a hearing on the *Debtors’*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors’ service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

Emergency Motion for Entry of an Order (I) Granting a Limited Waiver of the Deposit Requirements of Section 345(b) of the Bankruptcy Code and (II) Granting Related Relief (the “345(b) Motion”) as required by Fed. R. Bankr. P. 2002 be shortened pursuant to Fed. R. Bankr. P. 9006(c)(1), for the reason(s) set forth below:

1. The United States banking system is in an unprecedented period of uncertainty.² The Debtors, faced with the sudden collapse of three of their primary cash management banks, have worked closely with their advisors in an attempt to safeguard their assets, comply with section 345(b), and assuage the U.S. Trustee’s concerns asserted in the *Motion of the United States Trustee to Compel the Debtors to Comply with: (i) Section 345(b) of the Bankruptcy Code; and (ii) the Final Cash Management Order* [Docket No. 599]. These efforts include reaching out to more than fifty banks to find bank accounts in compliance with section 345(b) of the Bankruptcy Code.

2. This process has revealed that the surety bond market has all but dried up, making the proposition that the Debtors find suitable, section 345(b)-complaint replacement bank accounts extremely burdensome, if not impossible. Nevertheless, the Debtors’ primary goal is to safeguard all of its funds for the benefit of its clients.

3. Accordingly, the Debtors request that the Court waive compliance with section 345(b) of the Bankruptcy Code and allow the Debtors to place their funds in (a) an insured cash sweep program with Webster Bank for an amount up to \$25 million (the “ICS Funds”) and (b) one or more money market funds that only invest in U.S. treasuries and/or U.S. treasuries themselves in an amount up to \$275 million with Webster Bank (the “Treasury Funds”). The

² Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the *Declaration of Mark A. Renzi in Support of Debtors’ Chapter 11 Petitions and First-Day Motions* [Docket No. 17] or the 345(b) Motion, as applicable.

Debtors believe that the movement of the Remaining Funds satisfies this objective and should be authorized on an emergency basis.

4. In light of the foregoing, the Debtors request that the Court schedule a hearing on the 345(b) Motion on April 27, 2023.

5. Reduction of the time period is not prohibited under Fed. R. Bankr. P. 9006(c)(1).

6. The Debtors request entry of the proposed order shortening time in the form attached hereto as **Exhibit A**.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors request that the Court enter an order, in substantially the form submitted herewith, granting the relief requested herein and such other relief as is just and proper under the circumstances.

Dated: April 21, 2023

/s/ Michael D. Sirota

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Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

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(Jointly Administered)

ORDER SHORTENING TIME PERIOD FOR NOTICE

The relief set forth on the following page is **ORDERED**.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

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Debtors: BLOCKFI INC., *et al.*

Case No. 22-19361 (MBK)

Caption of Order: ORDER SHORTENING TIME PERIOD FOR NOTICE

Upon review of the *Debtors Application for Order Shortening Time* (the “Application”),² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of an order (this “Order”) requesting that the time period for the 345(b) Motion be shortened pursuant to Fed. R. Bankr. P. 9006(c)(1), **IT IS HEREBY ORDERED THAT:**

1. A hearing will be conducted on the 345(b) Motion on April 27, 2023 (the “Hearing”) before the Honorable Chief Judge Michael B. Kaplan, Clarkson S. Fisher United States Courthouse, 402 East State Street, Second Floor, Courtroom 8, Trenton, NJ 08608.

2. The Debtors must serve a copy of this Order, and all related documents to all parties in interest by either overnight mail or email, as applicable.

3. Service must be made on the same day as the date of this Order.

4. Notice by telephone is not required.

5. Any objections to the 345(b) Motion may be presented orally at the hearing.

6. Parties may request to appear by phone by contracting Chambers prior to the return date.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Application.